

1 specific recollection of the document.

2 Q Let's then look at Shurberg 103, please. Have you
3 ever seen that before?

4 A I don't recall.

5 Q Do you recognize Mr. Boling's signature down at
6 the bottom?

7 A Yes.

8 Q Do you have any reason to know why Mr. Boling
9 would execute an authority for deposit and borrowing on
10 behalf of Astroline Communications Company, in which Messrs.
11 Sostek, Boling, Gibbs and Gibbs are identified as general
12 partners and you're not identified at all?

13 A I don't believe that that fully characterizes what
14 this document was doing. One of the vehicles that the
15 partners had created was at State Street Bank, they created
16 an ability for us to write checks, and then for the bank to
17 automatically draw from another account that they had
18 created to fund. So, they kept some amount of cash --
19 several millions of dollars -- in other accounts, which were
20 their accounts controlled by Astroline Corporation or
21 Company or them as individuals. It was linked in some sort
22 of overdraft function to the ACCLP account, so that when we
23 wrote checks or checks were sent out and signed -- we signed
24 the checks or I signed the check and sent the check out, the
25 ACCLP account was always assured of covered funds at State

1 Street.

2 Q But, you'll agree, won't you, the typed-in
3 language at the top of this form reads, "I, Fred J. Boling,
4 a general partner of Astroline Communications Company
5 Limited Partnership..."

6 A Yeah, I would agree that that's what it says.

7 Q Did Mr. Boling ever talk to you about this?

8 A Well, I've just described what the substance of my
9 understanding was and the majority of that would have come
10 my discussions with Fred -- Fred Boling, sorry.

11 Q Now, after you acquired ownership of WHCT
12 Management, Inc., which would be in late '88, I believe,
13 November of 1988, who signed checks when you weren't
14 available?

15 A I don't recall. I think we put Mr. Rozan -- since
16 we were in bankruptcy, we got new bank accounts, debtor
17 possession bank accounts, and I believe there were other
18 signatories on those accounts. Possibly Rozanski and
19 possibly Planell.

20 Q But, they weren't partners?

21 A No, but they may have had authorization to sign a
22 check in my absence.

23 Q So, again, you didn't need, in fact, WHCT
24 Management, Inc. as a vehicle to have a second signatory on
25 a company checking account?

1 A I never said I needed it. I said that's one of
2 the reasons why we structured it. At this point in time,
3 the business is in bankruptcy. Mr. Rozanski and Ms. Planell
4 have been at our side, my side, for nearly four-and-a-half
5 years.

6 Back in 1984, I was the only employee.

7 Q Now, you consulted with Mr. Boling and Mr. Sostek
8 about programming, did you not, periodically?

9 A Consulted them about programming?

10 Q Yes.

11 A I don't understand what you mean by consulted.

12 Q Did you confer with them about programming that
13 you wanted to run on the station?

14 A I advised Mr. Boling and Mr. Sostek about what I
15 wanted to buy. I advised them from time to time about the
16 relative performance of certain programming. I advised them
17 about strategies from a programming standpoint. I never,
18 ever sought their recommendations about whether to run
19 "Columbo" at eight o'clock or nine o'clock, to run cartoons
20 versus movies.

21 Q But, you would consult with them, would you not,
22 as to what programming to run, period?

23 A No, I'd advise them about the programming
24 decisions that Ms. Planell and I, in consultation with the
25 sales management, were going to undertake. I periodically

1 advised them of expenditures I was going to make and
2 liabilities I was going to incur.

3 Q Let me refer you to Shurberg 133, please, toward
4 the back of the white book? It's a lengthy document, but
5 I'm only, I'm primarily interested in page one. Feel free
6 to look at the rest of it, if you'd like, but I'm primarily
7 interested in page one.

8 A This is 133.

9 Q One three three. It appears to be a letter on
10 your letterhead dated November 4, '87, addressed only to
11 Herb and Fred and is it a safe assumption that's Herb Sostek
12 and Fred Boling?

13 A Yes.

14 Q It bears what appears to be your signature, am I
15 reading that correctly down at the bottom?

16 A Yes.

17 Q With a cc to Thomas Hart?

18 A Yes.

19 Q Well, why don't you go ahead and read it and I'll
20 ask a question?

21 A Okay. I remember this document.

22 Q I'm primarily focusing on the final paragraph
23 where, after discussing the relative merits of "Who's The
24 Boss," you indicate in this correspondence, "I wish to
25 discuss a bid for 'Boss.'" Now, who would you have had that

1 discussion with?

2 A Mr. Sostek and Mr. Boling.

3 Q I thought you just told me you didn't discuss this
4 stuff with Mr. Sostek and Mr. Boling?

5 A I was discussing with them the fact that "Who's
6 The Boss" bid would cost somewhere on the order, if my
7 recollection, \$3 million in additional liabilities. Were
8 they willing to continue to support the station to that
9 degree?

10 In defending their decision or in allowing them to
11 make a decision, I conveyed to them information about the
12 show's performance, historically, about trends in the
13 business, and here I am, making a decision. I'm totally
14 dependent on these gentlemen for funding. In 1987, I can't
15 get bank financing. I have no place else to get money
16 because of the cloud on the license. I need them to say to
17 me, if I'm going to be responsible in executing my duties as
18 a general partner here, that will you continue to fund money
19 if I make decisions like this?

20 I wasn't asking them if they thought "Who's The
21 Boss" was a better show than "Growing Pains". I wasn't
22 asking them if they thought I should schedule it at seven
23 o'clock or six o'clock. I didn't ask their advice or
24 consent whether they thought the demographic returns on
25 "Who's The Boss" would be the equivalent of running

1 "Columbo." I was conferring with them to discuss the bid.
2 I would have to submit a bid, participate in a formal bid
3 process, which would bind the company. It was a written
4 bid, it's my recollection, the way Columbia-Tristar was
5 conducting this, or, I should say, it was the Embassy
6 Columbia, the Embassy Tristar Company at the time, which was
7 subsequently bought by Columbia, which was subsequently
8 bought by Sony, about making this bid.

9 It would add, my recollection, somewhere in excess
10 of \$3 million to our program liability line. It would raise
11 our monthly payments. It would require a deposit, if we
12 were successful.

13 I make reference here in the second paragraph, the
14 last sentence, I said, "However, I fear that Warner Brothers
15 may get to move 'Growing Pains' as they did 'Night Court.'"
16 Again, this is a payment issue. I had previously purchased
17 the rights for "Growing Pains" and "Night Court" from Warner
18 Brothers Television. I subsequently lost the program,
19 because I couldn't keep pace with the payments and I'd gone
20 to Warner Brothers to renegotiate a payment plan. As part
21 of their renegotiation, they took "Growing Pains" back. I
22 would add, too, or they took "Night Court" back. I would
23 add to you that we also forfeited the deposit on that show,
24 which was a couple of hundred thousand bucks.

25 Q But, if word had come back from Mr. Boling and Mr.

1 Sostek that they weren't willing to bid for "Boss", you
2 wouldn't have bid for it, is that correct?

3 A That's not true. I would have made a decision
4 based on whether or not I thought I could have made the
5 return.

6 I had a similar discussion with Mr. Boling and Mr.
7 Sostek regarding the "Cosby Show," either prior to or
8 subsequent to the event of "Who's The Boss?" In the Cosby
9 decision, they said that they could not guarantee me that
10 they could continue to fund to that extent. I made the bid
11 anyway. I structured the bid in such a way that I tried to
12 defer the payment stream on that. It was the highest bill
13 submitted, but on a net present value basis, it was not. It
14 was rejected by Viacom.

15 Q You indicated, I believe, that you did not expect
16 Mr. Boling and Mr. Sostek to contemplate ratings effects or
17 scheduling effects or things of that nature, did I
18 understand that correctly?

19 A No, that's not what I said.

20 Q I'm sorry.

21 A I didn't seek their counsel, to use your words,
22 about ratings or scheduling. I sent them ratings
23 information, I sent them scheduling and strategy pieces
24 about how we were going to utilize the show, to demonstrate
25 our understanding and why we wished to undertake the risk.

1 I think in my recollection, I sent this type of
2 discussion, extraordinary expenditure in my opinion --
3 Hartford Whalers, going forward on the tower, the
4 renegotiation of the MCA package, "Who's the Boss," the
5 Warner Brothers deal when we lost it, and "Cosby." In \$38
6 million worth of program -- \$32 million worth of program
7 liabilities that we actually did incur in the bankruptcy. I
8 communicated to them about extraordinary expenditures, large
9 ticket liability assumption, a handful of times.

10 Q About how often, on average, were you in contact
11 with Mr. Boling in the ordinary course of business from the
12 period, say, sign on, which I gather was October, September
13 30, 1985 until 1988, November of '88?

14 A It varied. To several times a day, depending on
15 what we were doing, to weeks on end.

16 Q Was that the case throughout the period of time
17 that I described, that is, from sign-on in September --

18 A During the legal, predominantly license-related
19 litigation, we would conference-call regularly with
20 Washington on the phone, meaning Tom Hart, about what we
21 were doing.

22 I would call them in on other significant
23 expenditure issues from time to time. The real estate
24 decisions, buying the building at Garden Street, things like
25 that. And, then, I wouldn't talk to them for, you know, a

1 week, ten days. There was no schedule of meetings or
2 telephone conferences.

3 Q But, again, correct me if I'm misstating, but what
4 I understood you to say is, a week to ten days is not
5 unusual of a time span, but could I infer correctly from
6 that that a couple of times a month, on average, would be
7 accurate?

8 A Without a doubt, I spoke with either Mr. Sostek or
9 both of them every month. You know, it could very easily be
10 weekly throughout this entire period of time.

11 MR. COLE: Your Honor, I'm at a break point if you
12 want to break for lunch a little bit early today and then
13 come back in an hour and start in again. I'm going to try
14 to take the time to whittle down and get Mr. Ramirez out
15 here this afternoon.

16 JUDGE FRYSIK: All right, be back at quarter of
17 one.

18 (Whereupon, at 11:50 a.m., the hearing was
19 recessed, to reconvene at 12:45 p.m. this same day,
20 Thursday, September 24, 1998.)

21 //

22 //

23 //

24 //

25 //

12:45 p.m.

MR. COLE: Your Honor, Mr. Topel excused himself.

MR. COLE: He's doing something else. He

JUDGE FRYSIAK: All right.

RICHARD P. RAMIREZ

DIRECT EXAMINATION (CONT.)

Q Good afternoon, Mr. Ramirez. We're going to try
et you on and off today and wrap this up. Do you have
testimony in front of you?

Q Okay, good. Turn to page 20, if you would,

please, and before we get into Section 4, I want to ask one very brief question on paragraph 44 and paragraph 44 is one sentence which reads in its entirety, "ACCLP also had a local bank account in Hartford, Connecticut at the Bank of Boston, Connecticut, in 1988, and I believe I signed all the

1 checks written on that account." Is that correct?

2 A Yes.

3 Q My question to you is, when in 1988?

4 A Clearly, post-bankruptcy.

5 Q So, that would be November, December?

6 A October 31 or thereabouts, and my recollection is
7 not clear as to whether or not it existed prior to that, but
8 it may have.

9 Q Now, let's talk about your filings, Astroline's
10 filings, with the FCC. Am I correct in understanding from
11 your testimony that when an item had to be filed with the
12 FCC, for example, an ownership report, Astroline's
13 communications counsel, which would be Baker & Hostetler,
14 initially drafted it? Is that a correct statement?

15 A I believe so, yes.

16 Q Then, they would send it to you for your review,
17 comments and/or signature, is that correct?

18 A Yes.

19 Q Then, once you were satisfied with it and had
20 signed it, you would send it back to Baker & Hostetler?

21 A Or, Collier Shannon.

22 Q Or Collier, yes, I'm sorry, yes. I was assuming
23 the period post-Mr. Hart's departure from Collier Shannon to
24 Baker & Hostetler. Then, once it arrived back at Baker &
25 Hostetler, they would file it with the FCC, am I correct

1 there?

2 A That was our process, yes.

3 Q Then, they would send you a copy of the completed
4 filing for your public file?

5 A That's my recollection of the process, yes.

6 Q You didn't rely on Schatz & Schatz to do any FCC
7 work, did you?

8 A Filing documents, no. Could there have been some
9 local compliance issues that impacted FCC, possibly. If a
10 real estate issue needed to be a part of the public file or
11 something like that, they -- or, other employment agreements
12 or something along that line, they might interact,
13 facilitate, provide information or back-up.

14 Q But, in terms of direct filing with the FCC,
15 Astroline, for example, a pleading or a report which is
16 being filed on behalf of Astroline with the FCC, that would
17 normally have been done through Baker & Hostetler?

18 A Through Thomas Hart, that's right.

19 Q Through the process we just discussed?

20 A That's correct.

21 Q Was Mr. Hart the only attorney at Baker that you
22 worked with?

23 A No.

24 Q Were some of the other attorneys Linda Bocchi?

25 A Yes.

1 Q Dale Harburg?

2 A Vaguely recommend Dale -- remember Vale -- Dale.

3 Q Ed Hayes?

4 A Ed Hayes, most certainly.

5 Q Dan Alpert?

6 A Dan Alpert, I do recall.

7 Q Dave Dudley?

8 A In the Dale category.

9 Q But, they were all subordinate, as far as you
10 knew, to Mr. Hart?

11 A Or Mr. Hayes.

12 Q Or Mr. Hayes?

13 A Correct.

14 Q Now --

15 A I've met them all and did have dealings with them,
16 but the degree of familiarity and the extent of the work, my
17 recollections are much stronger, because of the volume and
18 so forth, with Alpert, Linda Bocchi, Thomas Hart and Ed
19 Hayes. And, there were, and obviously, with what's on the
20 appeal and later on, the Wilmer Cutler counsel or Cutler
21 Pickering counsel.

22 Q Wilmer Cutler Pickering counsel?

23 A Wilmer Cutler Pickering counsel.

24 Q In other words, Mr. Wallenberg?

25 A Right.

1 Q Now, when Baker & Hostetler sent an item for you
2 to review and, ideally, sign or at least comment on, you
3 reviewed it, didn't you?

4 A I tried to, yes, the best as I could.

5 Q If you had any questions about it, did you raise
6 those questions with Baker attorneys before you signed it?

7 A Yes.

8 Q And, so, you were satisfied, if you signed a
9 document, that would indicate that you were satisfied
10 yourself that it was accurate?

11 A Yes, at the time, I would have been satisfied.

12 Q You knew, didn't you, that changes in the
13 Astroline partnership agreement would have to be reported to
14 the FCC?

15 A I didn't know that or know that. I think that's
16 something I would have needed to be advised of specifically.

17 Q Astroline's partnership agreement did change from
18 time to time, did it not, between 1984 and 1988?

19 A It did.

20 Q If you could look at Shurberg 36 and 37, please?
21 They're in the red binder.

22 A Red binders? Thirty-six?

23 Q Thirty-six, you're with me on 36?

24 A Yep.

25 Q It's a one-page letter addressed to you from Mr.

1 Bacon, with a handwritten notation at the bottom. Is that
2 your handwritten notation?

3 A It -- yes.

4 Q And, am I correct in reading that that you were
5 expressing concern about Astroline's liabilities at that
6 point and that, just for point of reference, was February 1,
7 '85, which, as I calculate it, was within two weeks of your
8 acquiring the station?

9 A Yes.

10 Q Am I correct that you were contemplating
11 transferring your interest in Astroline, that is, your
12 general partnership interest, from you personally to a
13 corporation to be owned by you, a Sub-S corporation?

14 A I -- that's correct. I had had discussions at the
15 review of my, of the original partnership agreement with
16 Attorney Marcus about the issues of general partner
17 liability, and then subsequently, I had discussions with my
18 tax attorney, Attorney Steven Goldberg. The issue came up
19 of whether or not a Sub-S could improve my insulation,
20 relative to personal liability. I had asked Carter to look
21 at it from the standpoint of the Massachusetts filing
22 issues, the partnership issues on that side. My
23 recollection is that I also discussed it with Hart, and I
24 believe that his response to that was that you couldn't have
25 two corporate general partners in Massachusetts. That was

1 not a viable way to go.

2 Q Well, before we get to that, you know where I'm
3 heading so --

4 A No, I was just trying to give you a complete
5 answer.

6 Q But, you said something in the middle of that
7 answer that jogged my memory to ask you, what did you
8 understand your potential liability as a general partner of
9 Astroline to be?

10 A It's my understanding that then and now, that a
11 general partner is liable, as they say, jointly and
12 severally, for all of the obligations of the entity. Which
13 means he's liable disproportionate to his ownership
14 interest, essentially 100 percent liable.

15 Q Mr. Hoffman testified yesterday that the total
16 claims against the Astroline estate are somewhere in the
17 range of \$30 million at this point, more or less, and his
18 testimony will speak for itself. I'm just trying to give
19 you a general idea.

20 Am I correct in understanding your last statement
21 to mean that you understood that you, as general partner of
22 Astroline, would be liable for all of those \$30 million,
23 more or less, dollars worth of obligations?

24 A Well, clearly, it wasn't \$30 million in '85.

25 Q No, I understand that.

1 A And, we continued throughout the entire bankruptcy
2 proceeding to contest the \$30 million. And, since that's an
3 ongoing proceeding, the actual number hasn't been resolved
4 yet.

5 I will point out that in, again, one of these
6 documents today as we were flipping by the total accounts
7 payable at the time the business entered into bankruptcy was
8 a little over \$2.2, \$2.3 million. It was essentially 90
9 days and some change on the company's run rate.

10 The \$30 million claim is from the unproofed --
11 unproofed as I have used the vernacular in the Bankruptcy
12 Court -- attempt by program suppliers to cross-default all
13 their contracts and accelerate them, which is a concept that
14 has not been challenged or proofed in the Bankruptcy Court.
15 So, the \$30 million-plus is a number that's used, but it
16 hasn't been proofed in the Bankruptcy Court or as a
17 challenge to that concept of cross-defaulting programming
18 contracts and accelerating them ever been tested in a court
19 of law in the United States, to the best of my knowledge.

20 Q Okay, but work with me on this.

21 A I will.

22 Q If the \$30 million were to be proofed, or assume
23 it was \$30 million absolutely solid against no -- you would
24 have been on the hook for the \$30 million, right?

25 A Absolutely correct.

1 Q Or, if it was just \$2 million, you'd have been on
2 the hook for \$2 million as general partner, is that correct?

3 A Absolutely correct.

4 Q Are you still on the hook for whatever amount is
5 going to come out of liability, if it's determined?

6 A No, I am not.

7 Q Could you explain why not?

8 A Because I never denied my status as a general
9 partner to Mr. Hoffman, engaged counsel and negotiated a
10 settlement with his claim against me as a general partner.
11 Made payments and concluded my liability relative to that
12 partnership.

13 Q So, you are completely out of Astroline
14 Communications Company Limited Partnership now, is that
15 correct?

16 MS. SCHMELTZER: Objection. Astroline
17 Communications Company Limited Partnership doesn't exist
18 anymore. It's dissolved.

19 MR. COLE: Well, he can still answer my question.

20 JUDGE FRYSIK: Well, he --

21 THE WITNESS: I've satisfied the claim of the
22 trustee.

23 BY MR. COLE:

24 Q And, how much was that settlement for?

25 A I don't recall.

1 Q Was it more than \$100,000?

2 A I don't believe so.

3 Q Was it more than \$50,000?

4 A Could have been.

5 Q Now, go over to Shurberg 37, which is the next
6 document in the red folder and, if you would, please,
7 confirm for me that this is a letter which Mr. Bacon wrote
8 back to you in response to your handwritten query about the
9 possibility of using a Sub-S corporation?

10 JUDGE FRYSIK: What exhibit is that?

11 MR. COLE: Thirty-seven. I'm sorry. A four-page
12 letter from Mr. Bacon to Mr. Ramirez.

13 THE WITNESS: Okay.

14 BY MR. COLE:

15 Q Am I correct that this is a response to your
16 earlier inquiry?

17 A Yes.

18 MR. COLE: Your Honor, just as a housekeeping
19 matter, I had deferred moving this into evidence. It's 37,
20 and based on Mr. Ramirez' recognition of the document, I'd
21 like to so offer it now.

22 MS. SCHMELTZER: No objection.

23 JUDGE FRYSIK: Thirty-seven is received.

24

25

1 (The document referred to,
2 having been previously marked
3 for identification as Shurberg
4 Exhibit 37, was received in
5 evidence.)

6 THE WITNESS: It's point three there, from the
7 proposed as one of the issues that I just previously
8 articulated about, meaning a meeting of the individual
9 general partner for various tests.

10 BY MR. COLE:

11 Q All right. Turn to point six, if you could, on
12 page four? And, doesn't Mr. Bacon at that point suggest to
13 you or indicate to you that his understanding is that the
14 transactions you were contemplating would require filing
15 with the FCC?

16 A That's correct, yeah.

17 Q So, that would put you on notice, at least with
18 respect to this transaction, that some notification of the
19 FCC would be required, had you gone forward with that?

20 A Clearly.

21 Q But, you did not go forward with that, right?

22 A No.

23 Q For the reasons stated by Mr. Bacon?

24 A Correct.

25 Q Now, later in '85, there were other changes in the

1 Astroline partnership agreement. Do you recall those?

2 A Yes.

3 Q Those were reported to the FCC and documents which
4 appear in the record as Shurberg 19 and 20, which will be in
5 the blue folder --

6 JUDGE FRYSIK: Nineteen and 20?

7 MR. COLE: Nineteen and 20, yes, sir.

8 BY MR. COLE:

9 Q Do you have those in front of you?

10 A Yes, I do.

11 Q That is your signature on the second page, which
12 is the first page of the ownership report with the received
13 stamp of the FCC of September 13, 1985?

14 A Yes.

15 Q Two pages further, there is another page which
16 appears to be signed by you, but is dated 5/29/85, do you
17 see that?

18 A Two pages past the signature page?

19 Q Yes, two pages past the first signature page or
20 the second signature page?

21 A On Exhibit 19.

22 Q Nineteen.

23 A First signature page, second signature page, yes.

24 Q Do you recall signing that one, and I realize it's
25 hard to keep track of one ownership report from another, but

1 --

2 A I recall this -- I do not recall specifically
3 signing these, obviously a date or time, but I do recall the
4 controversy surrounding these two filings. I'm well
5 acquainted with them.

6 Q What was the controversy?

7 A Controversy number one was the misrepresentation
8 of Astroline Company --

9 JUDGE FRYSIK: What page are you quoting from?

10 THE WITNESS: I'm sorry. I'm on the signature
11 page.

12 BY MR. COLE:

13 Q The second signature page.

14 A The second signature page.

15 MS. SCHMELTZER: The pages are not paginated.

16 MR. COLE: I'm sorry, this is my fault, Your
17 Honor. I apologize for the confusion. It would be the
18 fourth page in the exhibit, if you started numbering pages
19 at one. It would be the fourth page in the exhibit, the one
20 he's speaking to address.

21 THE WITNESS: It misrepresents or inadvertently
22 characterizes Astroline Company as a general partner.
23 Subsequently, in this document, there is -- well, again, in
24 Exhibit 1, there is reference to it as a limited partner,
25 which is what it's reflected as in all the other documents.

1 This came up in the bankruptcy proceeding and, I
2 think, in some of the pleadings that the Circuit Court or
3 the Commission pointed out by you or your client.

4 BY MR. COLE:

5 Q All right, Shurberg 20, go to the next page and
6 Shurberg 20. This is an ownership report which, according
7 to Mr. Hart's cover letter, is supplemental in nature.
8 Would you agree with me, Mr. Ramirez, that this ownership
9 report includes as attachments or enclosures various
10 underlying documents, such as the assignment and assumption
11 agreement between Astroline Company and Roses, the
12 assignment and assumption agreement between HCT Management,
13 Inc. and Thomas Hart, the assignment and assumption
14 agreement between Astroline Company and Gibbs, the
15 assignment, assumption, repurchase and security agreement
16 between WHCT Management and Donald O'Brien. The document
17 between WHCT Management, Inc. and Danielle Webb.

18 A Danielle Webb, yes.

19 Q And, a similarly-titled document between WHCT
20 Management and Terry Planell.

21 A Correct.

22 Q So, we're in agreement that, at least as of the
23 date of this ownership report which was filed, according to
24 its title page, on October 31, all those documents, those
25 partnership-related agreements, have been filed by Astroline

1 with the FCC?

2 A I would conclude from their received stamp that
3 that's what happened there.

4 Q Again, just to retrace, very briefly, the standard
5 operating procedure, these came down from you, signed by
6 you, to Mr. Hart at Baker & Hostetler, who put a cover
7 letter on them, sent them to the FCC and then sent you
8 copies for the public buy out, is that correct?

9 A That is correct.

10 Q Now, isn't it true, too, that in May of 1985,
11 Astroline's partners had agreed to restructuring the
12 partnership agreement to provide for a different
13 distribution of profits and losses, among other things?

14 A Among other things, yes.

15 Q Let me refer you to Shurberg 39, please. Red
16 book.

17 A Red book. When you get the hang of this, it goes
18 pretty smooth. Thirty-nine?

19 Q Thirty-nine, yes. This is a memorandum from Mr.
20 Lance to a number of people, including yourself. Feel free
21 to read the entire thing, but my primary interest is in
22 paragraphs six and seven on pages four and five.

23 A I'm sorry, which ones?

24 Q Pages four and five, paragraphs six and seven.

25 Paragraph six or Section six is entitled Financing for ACC.

1 Section seven on page five is entitled Amendment of ACC
2 Partnership Agreement, Special Allocation, Profits, Losses
3 and Cash Flow.

4 A Okay.

5 Q Do you recall participating in the meeting
6 described by Mr. Lance in this memorandum?

7 A Yes.

8 Q Do you recall that the decisions described by Mr.
9 Lance in Sections six and seven of this memorandum, do you
10 recall being involved in that decision making process?

11 A Yes, most definitely.

12 Q And, is it correct to say that the determinations
13 for decisions which were made and reflected in this memo of
14 Mr. Lance were ultimately incorporated into an amended
15 Astroline partnership agreement, which became effective on
16 December 31, 1985?

17 A I believe the essence of these discussions and
18 points were. Not under exactitude as referenced in seven.
19 It's 95 or some similar percentage. I believe the
20 percentage was 99.

21 Q Could you turn, please, to Exhibit 44, which is,
22 for lack of a better description, a telex and take a look at
23 that and I'd like to ask you a couple of questions about
24 this? I'm sorry, before I ask you questions, when you're
25 finished reading this, would you look at 45, too, which is a

1 reformat, which appears to be a reformatted version of 44,
2 with some handwriting on it.

3 (Pause.)

4 A And, 45?

5 Q Forty-four, the next one -- I'm sorry, yes, 45.

6 A Okay.

7 Q Have you ever seen these documents before?

8 A They appear to be familiar to me, so I would say
9 yes.

10 Q What are they?

11 A It looks to me, or my recollection is, that Mary
12 Morton was an employee of, if I recall, Astroline
13 Corporation or Astroline Company, if I'm not mistaken. It
14 looks to me like the establishment of that line that I was
15 referring to that was borrowed at one bank, in this case,
16 Bank of Boston, and set up at another bank, which is the
17 State Street Bank account, was to facilitate an ongoing
18 funding vehicle. Then, the second document looks to me like
19 some specific documentation of the introduction of the
20 capital.

21 Q Were you involved in preparing this document?

22 A No.

23 Q When is the first time you ever saw it, if you
24 recall?

25 A I don't recall.

1 Q On 45, is that Mr. Boling's signature at the
2 bottom of the page?

3 A Yes.

4 Q Can you tell if that's his handwritten numbers in
5 the middle of the page?

6 A I can't attest to that. I don't remember it that
7 well. This is, this, to me, is completely consistent with
8 what we were trying to set up in the amended partnership
9 agreements there, and completely consistent with what we've
10 said repeatedly about it.

11 Every document that you'll find in here refers to
12 the allocation profits and losses. It does not ever refer
13 to equity interests and never is there any reference to
14 voting interest or control of the business. This begins a
15 long series of discussions at the bankruptcy proceedings
16 regarding tax filings and audited reports and so forth,
17 which consistently consist on the report allocations of
18 profits and losses, which is not an uncommon practice. And,
19 consistently reinforces my equity position and my ownership
20 and my voting interest in the business. It does not
21 constitute a change in control in any way, shape or form.

22 It's consistent with the documents you were asking
23 me to look at just before about the amended partnership
24 agreement. As I stated, that memo was actually ultimately
25 executed with some modifications to it. As I pointed out,

1 it was 99 percent as opposed to 95.

2 So, do I recall these documents specifically? I
3 don't. Did I participate in their construction? No. Do I
4 recall seeing them before? Yes.

5 Q Probably in connection with the bankruptcy
6 proceedings?

7 A I don't recall. I could have seen them before
8 that.

9 MR. COLE: Your Honor, I had not offered 45
10 because I didn't have anybody to recognize the handwriting.
11 Mr. Ramirez has just identified the handwriting as Mr.
12 Boling's, and I'd like to offer Shurberg 45 at this point.

13 MS. SCHMELTZER: Your Honor, he identified the
14 signature, not the numbers on it, I believe.

15 THE WITNESS: Forty-five, right?

16 MS. SCHMELTZER: Forty-five.

17 BY MR. COLE:

18 Q Forty-five, yes.

19 A Yeah.

20 JUDGE FRYSIK: Well, with that proviso, I'll
21 receive 45.

22 (The document referred to,
23 having been previously marked
24 for identification as Shurberg
25 Exhibit 45, was received in

1 evidence.)

2 MR. COLE: Thank you, Your Honor.

3 BY MR. COLE:

4 Q Now, when Astroline was first formed in 1984, back
5 in May of '84, the Meridian Hotel back there, it was the
6 understanding of the partners, wasn't it, that is, you and
7 Mr. Boling, Mr. Sostek and the other Astroline Company
8 individuals, that you would put in your \$200 or \$210 and the
9 remaining funds -- I'm sorry, and the limited partners would
10 contribute \$500,000 in capital, and that the remaining funds
11 needed for acquiring and operating the station would be
12 obtained through loans?

13 A That was our intent.

14 Q That was the intent in 1984?

15 A Correct.

16 Q When you structured yourselves in '84, it was
17 going to be a straight \$210 for you, \$500,000 for the
18 limited partners and the remainder would come in loans?

19 A It was clearly contemplated at that time that two
20 things would drive our ability to get financing. One is the
21 net worth of the limited partners and their relationships
22 with banks. The other would be the inherent value of a
23 clean license.

24 Q You anticipated at that point, as I understand
25 your testimony, and here I'm referring to page, paragraph

1 18, that the total amount necessary to bring the stations up
2 to snuff, so to speak, would be approximately \$15 million?

3 A Paragraph 18?

4 Q Yes.

5 A Yes.

6 Q Now, by mid '85 it was clear, wasn't it, that
7 there was no loan financing available?

8 A No, it was not clear in mid '85.

9 MR. COLE: One second, Your Honor.

10 THE WITNESS: The document that you just had me
11 read, the memo from Bill Lance, the partnership
12 restructuring, clearly states I'm pursuing the lease options
13 to the equipment financing. It clearly states I'm pursuing
14 other lease opportunities on the real estate. We were
15 looking to monetarize any other asset that we could have.

16 At that point in time, it was not clear how
17 detrimental the license cloud that was raised by the
18 Shurberg appeal to the D.C. Circuit, and, I might add, at
19 that point in time, we were fairly positive that we would
20 prevail.

21 BY MR. COLE:

22 Q Fair enough.

23 A So, we continued to pursue those opportunities.

24 Q If you could look, though, at Shurberg 39, which
25 is the last memo you were talking about, I believe you were

1 talking about, the one we just reviewed together, and look,
2 please, at Section 6, "Financing for ACC." Mr. Lance
3 addresses attempts to obtain lease financing and also
4 indicates that they would seek to obtain mortgage financing
5 for the full title of the real estate property. Those are
6 the two items you just talked about, right?

7 A Right.

8 Q Then it says, "The partners contemplated that the
9 balance of the financing, estimated to be between \$10 to \$12
10 million, will be obtained in the following manner." It
11 appears, and correct me if I'm wrong, that the following
12 manner describes involves capital investments or capital
13 contributions by the limited partners?

14 A Yes, that's correct. But, the point is that we
15 didn't stop looking for outside money. We hadn't come to
16 the conclusion of the detriment of having that appeal
17 sitting outstanding there. And, we hadn't given up hope on
18 trying to leverage the business.

19 Q Okay, when the partnership agreement was
20 ultimately revised to reflect the 99 one profit loss
21 distribution scheme that we talked about -- I use the word
22 scheme in the generic sense. By no means do I mean that
23 pejorically.

24 A Are you sure?

25 Q Promise. Those changes were included in an

1 amendment partnership agreement which was made effective
2 December 31, 1985, is that correct?

3 A I believe you are correct.

4 Q And, that distribution scheme provided that all
5 profits and losses were to be distributed to the partners in
6 a ratio of 99 percent to the limited and 1 percent to the
7 generals, isn't that right?

8 A Until the capital accounts came into balance or
9 the reference there to capital contributions were rectified.

10 Q So, the limiteds would have to get back all of
11 their money, their capital investments?

12 A Well, capital accounts sometimes have offsets for
13 tax benefits along the way, so it's not necessarily 100
14 percent of their cash contribution, but until their capital
15 account comes into balance is the concept. To go back to
16 your example about the \$500,000 invested in the company, if
17 there are no liabilities the day that money gets there,
18 that's equity and their capital account and their equity
19 account happen to be in balance.

20 If there are \$100,000 in liabilities in there,
21 their equity would be 400, but their capital account could
22 still be 500. If there were tax losses derived from
23 operations, their equity might be 400, their cash
24 contributions might be 500, but because of tax losses, their
25 capital account might only be 450, depending on what the

1 losses that were passed to them.

2 So, when reconciling your capital account as an
3 accounting manager, you might look at what they gained in
4 tax losses, plus -- minus -- minus what they put in in cash,
5 to construct the capital account to determine how much they
6 would get back at the sale or liquidation or in ongoing
7 dividends.

8 Q Okay, but whatever --

9 A Excuse me, then that would be what you would march
10 towards. You would march towards that 99/100 by rectifying
11 that capital account, and then go to the priority
12 distribution, \$1 million to me. Well, earlier on, it was to
13 me and to Hart, and then later to just me and then back to
14 pro rata.

15 Q And, it is true, isn't it, that until the capital
16 accounts were equal, met, however you want to characterize
17 it, the capital account as you have just described it --

18 A Brought back into balance.

19 Q -- brought back into balance, that the generals
20 got nothing?

21 A The generals got 1 percent.

22 Q One percent? Then, once they were in balance, the
23 profits and losses were distributed according to whatever
24 the percentage interest was, stated in the attachment to the
25 --

1 A Once the capital accounts came back into balance,
2 in other words, they zeroed out, then they would go to --
3 well, they'd to go the priority distribution, then pro rata.
4 If the concept is easier for folks to understand like in
5 corporations, you can have classes of stock that receive
6 either propriety or disproportionate dividends and you can
7 also have classes of stock that have vastly disproportionate
8 voting interests.

9 John Malone controls TCI with somewhere less than
10 10 percent of the total ownership of the equity, by virtue
11 of the fact that the class of stock that he holds has a 10
12 to one voting advantage over the class of stock that the
13 public holds. And, there, all kinds of capital accounts and
14 tax implications would run up and down that business, and
15 formulating a tax return for all those individuals or all
16 those shareholders, but it doesn't change Mr. Malone's basic
17 ability to control, I think, before this deal, like 38
18 percent of the voting power within that company.

19 In this instance, the allocations of profit and
20 losses were irrelevant to the issues of my voting standing
21 in the business and ultimately have nothing to do with my
22 share of equity, which again is the value that resides in
23 the business after the removal of liabilities or
24 satisfaction of liabilities.

25 I always sat at 21 percent of equity. I always

1 sat with 70 some percentage of voting interest in the
2 business, all the time.

3 Q Would it be true to say that the reason for the
4 shift to the 99 one distribution scheme was that while the
5 limited partners may have been willing to trust you with an
6 investment of \$500,000, they weren't willing to trust you
7 with an investment of 30 times greater than that?

8 A That is fantasy and conjecture on your part. It
9 was done -- if you go back and study the tax laws applicable
10 at the time, limited partners were entitled to passive
11 losses. It changed in 1986 and 1987. In 1984 and 1985,
12 limited partners could take tax credits for investment and
13 technology, of which everything in the broadcast center was
14 counted as that. That's not a deduct -- that's not a -- I'm
15 sorry, that's not a deduction, that's a straight dollar for
16 dollar write off. Ten percent of anything invested in
17 technology could be taken by a limited partner. Any losses
18 could be passed through to a limited partner, even though
19 they were limited and passive participants.

20 Prior to that change in the tax laws which took
21 place in early '80s and went away in 1986, 1987, began
22 phasing out in 1986 and 1987, a passive partner, a limited
23 partner, could only take losses in a business where he was
24 an active participant. By virtue, by nature, a limited
25 partner isn't an active participant in the business.

1 So, in that particular period of time, the tax
2 laws were highly incentivising to the formation of
3 partnerships and the allowance of deductions and pass-
4 through losses for limited partners. It's a major tenant of
5 the Reagan economic era. That's no comment on that, but,
6 so, your characterization was, I reject categorically. It
7 had absolutely nothing to do with that. They were in for a
8 pound, in for a dollar by that point.

9 They could have stopped at any point they wanted
10 to. They were under no obligation for the original
11 partnership agreement to supply more than \$500,000. They
12 entered into these things voluntarily, because they felt
13 they had a good opportunity to win the case and make a
14 business here that would give them a meaningful return.

15 Q Now, Peabody & Brown drafted the revised
16 partnership agreement, is that correct?

17 A To my recollection, yes, they did.

18 Q Could you look at Shurberg 46? Please, 46. It's
19 a one-page document, memorandum to you and to Mr. Hart from
20 Mr. Lance.

21 A Okay.

22 Q Does that confirm your recollection that Peabody &
23 Brown did do the revised or amended partnership agreement?

24 A Well, yeah, they sent me a draft, yes.

25 Q One of your jobs was to review the draft document

1 with Ms. Planell and Ms. Webb, isn't that correct?

2 A That's correct.

3 Q They were still, at that point, and we are now
4 talking early 1986, they were still limited partners through
5 the sweat equity plan that you all had developed?

6 A The allocation from HCT Management to them,
7 conversion from general partner points to limited partner
8 points, correct.

9 Q And, in late February of '86, which would be about
10 a month after this Lance memorandum, a final draft of the
11 revised agreement was sent to you and Mr. Hart for signing,
12 do you remember that?

13 A I don't.

14 Q Check Shurberg 47 and 48, please. Forty-seven is
15 just a letter from Mr. Bacon and Mr. Hart and 48 is a letter
16 from Mr. Bacon to you explaining the letter to Mr. Hart.

17 A Yes.

18 Q So, basically, by February 26, the final draft had
19 been prepared and was being sent around for execution?

20 A I can't tell you that in the final review, or,
21 excuse me, in a review at this stage, that something else
22 changed. I take this statement for what it says, that he
23 sent me some copies. I think we need to look at the
24 executed document to determine what was the final version
25 and what wasn't.

1 MR. COLE: Your Honor, I had not offered 47 and
2 48. Mr. Ramirez has now reviewed them and testified about
3 them, and I'd like to offer them on that basis.

4 MS. SCHMELTZER: No objection, Your Honor.

5 JUDGE FRYSIK: Received.

6 (The documents referred to,
7 having been previously marked
8 for identification as Shurberg
9 Exhibits 47 and 48, were
10 received in evidence.)

11 MR. COLE: Thank you, Your Honor.

12 BY MR. COLE:

13 Q Again, as Mr. Bacon indicates in his cover letter
14 to you, which is Shurberg 48, they were looking to you --
15 that is, they, Mr. Bacon and whoever else, were looking to
16 you to get Ms. Webb and Ms. Planell to sign up on the
17 revised partnership agreement, isn't that correct?

18 A Yes, they were -- we were all working together in
19 Hartford.

20 Q You took care of that, you got them to sign it?

21 A I mean, I don't recall specifically.

22 Q Could you check Shurberg 51, please, which is a
23 letter from you to Mr. Bacon. That is your signature, isn't
24 it?

25 A Yes.

1 Q Do you recall writing that letter?

2 A No.

3 Q Do you know what you meant when you said, "This
4 has been the best sale of my life, to get this signed"?

5 A No. I didn't -- somebody wrote this handwritten
6 note here. That's not mine. I would assume from that that
7 someone has concluded that this was attached to restated
8 partnership agreements, but I don't recall this.

9 Q Do you recall any difficulties you might have run
10 into in getting Ms. Webb and/or Ms. Planell to sign the new
11 agreement?

12 A Yes.

13 Q What were the difficulties?

14 A The promissory notes, if I'm not mistaken.

15 Q What about them?

16 A Well, as I stated earlier, their unwillingness to
17 accept the exposure of being a general partner, which
18 inferred the liability, led us to offer them interest in the
19 business as limited partners. We would still get credit as
20 having additional minority ownership at FCC proceedings and
21 so forth, and it was consistent with our good faith efforts
22 to get them. So, we had to introduce them as limited
23 partners.

24 As I've stated earlier, as limited partners, if
25 you give them an interest in a business at this point in

1 time, they would have been subject to a tax liability. So,
2 what we constructed was a fair market value and gave them a
3 promissory note for that fair market value, and then their
4 sweat equity would be the value generated above that strike
5 price, as it's referred to.

6 I think, my recollection here is that explaining
7 the concept and dealing with Danielle, in particular, who
8 subsequently left the business on some strained terms, was
9 not an easy task.

10 Q You ultimately got them to sign it?

11 A Yes, I -- well, I'm sure that you'll refer me to a
12 document that has their executed signatures. I don't recall
13 today, but I'm pretty sure they did.

14 Q You may also review Shurberg 52, which is a letter
15 from Mr. Bacon to Mr. Boling, indicating that he has
16 received copies signed by you, Hart, Planell and Webb.

17 A Okay.

18 Q Now, going back to your testimony, in paragraph
19 53, which is at the bottom of page 24, you indicate that you
20 have not been able to located any FCC-receipt stamped
21 documents demonstrating that the December 31 amended
22 partnership agreement was filed with the FCC, is that
23 correct?

24 A That's correct. All, anything I had left on this
25 case, as I stated earlier, after the second appeal of the

1 bankruptcy case in Connecticut was affirmed in our favor or
2 rejected, whatever happened. When the bankruptcy thing was
3 concluded, I went about purging most of my files in this
4 thing.

5 Then, when I was contacted by, I believe, either
6 Mr. Topel or Ms. Schmeltzer regarding the fact that I'd been
7 dragged into this proceeding here and some allegations about
8 my character and conduct before the Commission were made, I
9 went and got whatever I had left and I had a box and I went
10 through, and anything that was relevant to the discussions
11 or the further discovery stuff, I sent to Attorney
12 Schmeltzer.

13 So, to my knowledge, I didn't have anything that
14 stamped this or whatever -- whatever I produced. I think I
15 remember sending Ms. Schmeltzer a copy of a draft with a
16 letter in the front that talked about submitting this, but
17 it wasn't received stamped from the Commission. That's what
18 I happened to have in my files. I had a copy of the amended
19 document with the letter. I sent it to Attorney Schmeltzer,
20 and, to the best of my knowledge, that's what I had and
21 that's what I produced.

22 I have zero recollection of any discussion, plan,
23 plot, inference or anything to not submit anything that was
24 required.

25 Q You refer in your testimony to two letters which

1 you then attach as Attachment I way, way, way in the back of
2 the big book. And, you say your testimony, I'll read it to
3 you, so you don't have to flip back and forth, "There is
4 correspondence demonstrating that the agreement, that is the
5 December 31, 1985 agreement, was routinely sent to Mr. Hart
6 for filing with the FCC and sent to the station for filing
7 in the public inspection file. See Appendix I." There are
8 two letters, are there not, attached two letters to that,
9 Appendix I?

10 A Mm-hmm.

11 Q Letter number one is a letter from Mr. Bacon to
12 you, dated September 2, '86, sending along to you for your
13 public inspection file, two copies of the December 31, '85
14 partnership agreement, isn't that right?

15 A Yeah, the amended statement as of the third,
16 right, which was completed sometime in '86, there, as we saw
17 earlier.

18 Q Now, it appeared, at least, from Mr. Bacon's
19 letter, which is Shurberg Exhibit 52, that Mr. Bacon had in
20 hand signed copies from you, Mr. Hart, Ms. Planell and Ms.
21 Webb as of March 14, '86, and was sending along Mr. Boling's
22 for the limited partners to sign up.

23 A I'm sorry, Carter had copies --

24 Q Exhibit 52 shows that Mr. Bacon had copies signed
25 by you, Hart, Planell and Webb and sent those along to Mr.

1 Boling for him to get signatures of Mr. Sostek, Martha and
2 Thelma and then have all copies returned to Mr. Bacon.

3 My question to you is this. Why does the Peabody
4 & Brown letter from Mr. Bacon to you of September 2, 1986
5 give you any reason to believe that the December 31, 1985
6 partnership agreement was filed with the FCC?

7 A I didn't say that it did.

8 Q This demonstrates, then, that the agreement was
9 sent to the station for filing?

10 A Now you're referring back to --

11 Q To your testimony.

12 A What page is that?

13 Q Twenty-four, paragraph 53, page 24.

14 A Okay.

15 Q So, you're saying that the Bacon letter
16 demonstrates that the agreement was routinely sent to the
17 station for filing in the public inspection file, is that
18 what you're saying?

19 A And, it appears to me that the subsequent letter
20 here in Exhibit I also shows that routinely, matters were
21 sent, amended documentation, partnership agreements, were
22 sent routinely to Thomas Hart, our FCC counsel.

23 Q Let me ask a couple of questions about this.
24 First, I thought we'd established earlier on today that the
25 law firm which provided the interface between Astroline and

1 the FCC was Baker & Hostetler?

2 A Law firm that did the interface between the FCC
3 and Astroline Communications was Baker & Hostetler, that's
4 correct.

5 Q So, if you had an agreement to be filed with the
6 FCC, you wouldn't have sent it to Carter Bacon, would you?
7 You would have sent it to Mr. Hart?

8 A If Mr. Bacon was collecting signatures from other
9 parties, he may have had it or he may have sent the final
10 signature to me, which I would have forwarded. I might have
11 signed it and sent it to him, to collect Mr. Boling and Mr.
12 Sostek and/or the Gibbs' signatures, and then it was sent to
13 Mr. Hart. Then, I got a copy for the public file, that
14 would be fully executed.

15 Q But, again --

16 A It was my expectation and my belief to this day,
17 that you know, my lawyers were not acting to conspire or
18 deceive me in anyway and that's what they were doing.

19 Q But, again, I thought we had established right
20 after the lunch break that normally, when things were filed
21 with the FCC on behalf of Astroline, they went through Baker
22 & Hostetler and Baker & Hostetler then sent you back a copy
23 for your public file. Didn't we establish that?

24 A Yeah, I believe that was our general practice,
25 yes.

1 Q So, why would Mr. Bacon be sending you a copy for
2 your public file?

3 A He might have been sending me a copy of the
4 executed partnership agreements, which, for whatever reason,
5 he was cleaning up his paperwork. He wasn't sending me a
6 copy of an FCC file. He was sending -- it clearly states
7 here, "the restated partnership agreement," which we had
8 testified to before, his firm did construct. So, I don't
9 see any inconsistency in why it would be unusual for him to
10 send me a fully executed copy, either as a purely
11 bookkeeping matter, he's cleaning up his files and wants to
12 make sure I've got a finally executed copy. Maybe he was
13 being redundant. Maybe he was just double checking. Carter
14 is a particularly fastidious attorney, in my recollection.

15 I could also have had, and it would be my
16 assumption here today, that I had received a copy back from
17 Baker & Hostetler of a more extensive document that included
18 the ownership elements and the other reporting requirements
19 for the FCC with an ownership report or a partnership
20 agreement attached to that as well, and I'd have it from two
21 sources. That -- this does not in anyway discomfort me
22 about what I've stated in our practices.

23 Q Mr. Ramirez, I'm looking at the second sentence in
24 Mr. Bacon's letter, where he says specifically, "I believe
25 one of the copies should be placed in your public record

1 file."

2 A Hart is not an FCC attorney. He's being
3 helpful. What is inconsistent about that? The partnership
4 agreement does belong in the file. How does he know that I
5 don't have it there already? I don't know what you guys are
6 trying to make out of this, but it continues to baffle me,
7 but I think the document speaks for itself.

8 Q Did Mr. Bacon send you a lot of documents to put
9 in your public file?

10 A To my recollection, he did not.

11 Q Well, let's look at the next letter, which is a
12 letter from Mr. Bacon to Dale Harberg, in care of Thomas
13 Hart, which you indicated is an indication or demonstration
14 that the partnership agreement was routinely sent to Baker &
15 Hostetler for filing with the FCC.

16 First, where do you see that this is to be filed
17 with the FCC in this letter?

18 A I didn't say that it did.

19 Q Well, Mr. Ramirez, in your testimony --

20 A I said in my testimony that this is evidence of
21 our procedures.

22 Q I understand that.

23 A If you wish to infer that he sent documents
24 regarding any other client to Baker & Hostetler just because
25 he liked to send documents down there, you can conclude

1 that. I would like to infer that since he knew that Baker &
2 Hostetler were our FCC counsel, that when he sent things
3 down there, he was being responsive to something either I
4 initiated or Thomas Hart initiated.

5 You know, to the best of my knowledge, Baker &
6 Hostetler and Peabody & Brown had no other intersection
7 other than me and Astroline Communications Company Limited
8 Partnership. Again, I'm -- well, it's not my point to
9 determine where you're going.

10 Q Why do you suppose Mr. Bacon was sending those
11 documents down to Ms. Harberg and Mr. Hart in July of 1987?

12 A I have no idea. It would certainly be a surprise
13 to me if that was the first time that Mr. Bacon was sending
14 that to Mr. Hart.

15 (Pause.)

16 THE WITNESS: What does it say on the bottom of
17 this document?

18 JUDGE FRYSIK: There's no question pending.

19 BY MR. COLE:

20 Q Now, in 1987, Astroline was required to file a
21 complete ownership report, is that correct?

22 A I don't recall.

23 Q Let me refer you to Shurberg 74, which is the
24 white volume. This is a memorandum from Baker & Hostetler
25 broadcast plans.

1 A Okay.

2 Q You received this, didn't you?

3 A It looks familiar to me.

4 Q You read it?

5 A I did.

6 Q You took it to Hart -- strike that.

7 A H-A-R-T.

8 Q So much so that if you refer to Shurberg 75, you
9 wrote a note to Mr. Hart, reminding him that the report was
10 due, correct?

11 A Correct.

12 Q So, you were on top of this project?

13 A At this point, yes. It's a curiosity, though, in
14 74 that the public notice of the Commission, 2270, makes
15 reference to a suspension of some of these requirements.

16 Q Why is that a curiosity?

17 A Just the mystery that the document file, the
18 document trail. Either the Commission was unable to find an
19 intermittent ownership report -- it could be accounted for
20 by that. I'm just pointing it out.

21 Q That suspension, I believe, refers to the annual
22 ownership report requirement, isn't that correct?

23 A Yeah, I'm just pointing it out. I'm not, you
24 know, trying to shed some light on this for my own benefit,
25 I guess.

1 Q Now, in connection with the preparation of
2 Astroline's ownership report, which is to be filed on August
3 3, 1987, you signed an ownership report on July 20, 1987,
4 didn't you? And, just for your recollection purposes, I
5 refer you to Shurberg 82.

6 A Eighty-two?

7 Q That's your signature, isn't it?

8 A Yes.

9 Q That's your handwriting and the date, July 20,
10 '87?

11 A Correct.

12 Q Now, when you signed this, do you recall if there
13 was any other handwriting on it? I call your attention to
14 the handwritten note at the upper edge of the page and then
15 cross out some deletions in the lower right hand corner of
16 the page.

17 A Honestly, I don't recall.

18 Q Do you recall if the typed information was typed
19 in when you signed it?

20 A Oh, yeah.

21 Q You don't sign things in blank, do you?

22 A No. I have done that for my house closing.

23 Q But, not for FCC things?

24 A Not for the FCC, or when I was borrowing the
25 money. I was selling the house.

1 Q Now, look over on page two, if you could, please?
2 I'm sorry, the back of page one of the document, which is a
3 table which requires a description of contracts or
4 instruments. This does not have any typewritten information
5 on it, does it?

6 A No.

7 Q It has handwritten notations, but no typewritten
8 information?

9 A There appears to be above what you can read some
10 additional writing that you can't read.

11 Q Right.

12 A Then it says, "Amended limited partnership and
13 certificate."

14 Q Do you recall thinking that that was kind of an
15 odd way to fill out the form when you signed it?

16 A I don't have any specific recollection of it.

17 Q Now, look down on page one, at your -- at the
18 bottom on paragraph five, way, way down at the bottom, where
19 it appears there was typed in an answer. The question is,
20 "Is a limited partnership's certification statement included
21 as in instruction four?" and it appears that no was typed in
22 and then it appears to have been crossed out with pen
23 editing. Do you agree with me on that assessment?

24 A It looks like stuff was done. I can't tell you
25 whether this was done before or after my signing of the